GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3577
ANSWERED ON:23.12.2008
GOODS AND SERVICES UNDER MSME
Rao Shri Kavuru Samba Siva

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a): the details of goods and services procured by the Government departments and agencies from Micro, Small and Medium Enterprises (MSMEs);

(b): the current mechanism for procurement of products from MSMEs and the constraints affecting such procurements;

(c): whether the Government proposes to finalise a new policy to come out with new procurement manual directing the Government departments and agencies, PSUs and to determine the minimum MSME procurement in terms of quantity with penal provisions to punish the defaulters; and

(d): if so, the details thereof?

Answer

MINISTER OF MICRO,SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a)&(b): The Government agencies regularly purchase items as per their requirements from the Micro and Small Enterprises (MSEs). The Directorate General of Supplies and Disposals (DGS&D) is the nodal agency of the Government for purchase policy and procedure. As per the data furnished by the DGS&D, the item-wise value of the purchases made against DGS&D contracts by different Government agencies from micro and small enterprise (MSE) sector during 2007- 08 is enclosed at Annexure. Under the existing guidelines, 358 items are reserved for exclusive purchase from MSEs by Government agencies. Further, MSEs registered with National Small Industries Corporation (NSIC) under its Single Point Registration Scheme are eligible for various facilities, viz., issue of tender sets free of cost, exemption from payment of earnest money deposit, waiver of security deposit and price preference upto 15% over the quotation of large scale unit. As these guidelines are not statutory, the Ministry of MSME has been receiving representations from MSEs regarding their non compliance.

(c)&(d): To assist the MSEs in marketing of their products, Section 11 of Micro Small and Medium Enterprises Development (MSMED) Act, 2006 enables the Government (both Central and State) to lay down policies of preferntial procurement of goods/services produced/rendered by MSEs. Accordingly, the Ministry of MSME has initiated necessary steps to formulate a new Procurement Preference Policy for MSEs.